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EMERALD TYRE MANUFACTURERS LIMITED

CORPORATE IDENTIFICATION NUMBER: U25111TN2002PLC048665

Our Company was originally incorporated as “Emrald Resilient Tyre Manufactures Private Limited” a private limited company under the Companies Act, 1956 with the Registrar of Companies (“ROC”), Tamil Nadu pursuant to Certificate of Incorporation dated March 27, 2002. Thereafter, the name of our Company was changed from “Emrald Resilient Tyre Manufactures Private Limited” to “Emerald Resilient Tyre Manufacturers Private Limited” vide special resolution passed by the members at the Extra-ordinary General Meeting held on July 16, 2018. Subsequently, our company was converted into Public Limited Company and name of company was changed from “Emerald Resilient Tyre Manufacturers Private Limited” to “Emerald Resilient Tyre Manufacturers Limited” pursuant to a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on November 25, 2023, and a fresh certificate of incorporation was issued by the Registrar of Companies, Tamil Nadu dated December 22, 2023. Thereafter, the name of our Company was changed from “Emerald Resilient Tyre Manufacturers Limited” to “Emerald Tyre Manufacturers Limited” vide special resolution passed by the members at the Extra-ordinary General Meeting held on January 11, 2024. The CIN of the Company is U25111TN2002PLC048665. For further details please refer to the chapter titled “History and Corporate Structure” beginning on Page No. 134 of this Red Herring Prospectus

Registered Office: Emerald House, Plot No. 2, Second Street, Porur Gardens, Phase-I, Vanagaram, Tiruvallur, Poonamallee, Tamil Nadu, India, 600095

Telephone: +91 9043063194; **Email:** cossec@emeraldtyres.com; **Website:** www.emeraldtyres.com;

Contact Person: Ms. Raja Devika Dhiyva, Company Secretary and Compliance Officer;

OUR PROMOTER: CHANDHRASEKHARAN THIRUPATHI VENKATACHALAM

INITIAL PUBLIC OFFERING UP TO 51,85,200 EQUITY SHARES OF ₹ 10/- EACH (“EQUITY SHARES”) OF EMERALD TYRE MANUFACTURERS LIMITED (“EMERALD” OR THE “COMPANY”) FOR CASH AT A PRICE OF ₹ [•] /- PER EQUITY SHARE (THE “OFFER PRICE”), AGGREGATING TO ₹ [•] LAKHS (“THE OFFER”), COMPRISING A FRESH OFFER OF UP TO 49,86,000 EQUITY SHARES AGGREGATING TO ₹ [•] LAKHS BY OUR COMPANY (“FRESH OFFER”) AND AN OFFER FOR SALE OF UP TO 1,20,000 EQUITY SHARES BY KARTHIKEYAN SWARNAM AND UP TO 79,200 EQUITY SHARES BY S VIJAYALAKSHMI (“THE SELLING SHAREHOLDER”) AGGREGATING TO ₹ [•] LAKHS (“OFFER FOR SALE”). OUT OF THE OFFER, 3,00,000 EQUITY SHARES AGGREGATING TO ₹ [•] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. OFFER OF 48,85,200 EQUITY SHARES OF FACE VALUE OF ₹ 10.00/- EACH AT AN OFFER PRICE OF ₹ [•] /- PER EQUITY SHARE AGGREGATING TO ₹ [•] LAKHS IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER WILL CONSTITUTE [•] % AND [•] %, RESPECTIVELY OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

- QIB PORTION: NOT MORE THAN 50.00% OF THE NET ISSUE
- RETAIL PORTION: NOT LESS THAN 35.00% OF THE NET ISSUE
- NON-INSTITUTIONAL PORTION: NOT LESS THAN 15.00% OF THE NET ISSUE
- MARKET MAKER PORTION: UP TO 3,00,000 EQUITY SHARES OR 5.78% OF THE ISSUE

PRICE BAND: ₹ 90 TO ₹ 95 PER EQUITY SHARE OF FACE VALUE ₹ 10 EACH

THE FLOOR PRICE IS 9.00 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 9.5 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

BIDS CAN BE MADE FOR A MINIMUM OF 1,200 EQUITY SHARES AND IN MULTIPLES OF 1,200 EQUITY SHARES THEREAFTER

RISKS TO INVESTORS

- Our company's ability to secure raw materials at favorable prices is subject to market fluctuations. Any increase in raw material costs could significantly impact our sales, profitability, and overall performance
- Our business is dependent on a few of our clients who contribute to significant of our revenues from operations. Any loss of business from them may adversely affect our revenues and profitability.
- Our operational efficiency is closely linked to the consistent supply of raw materials, sourced from a selected group of suppliers. Any potential interruption in the flow of raw materials from these suppliers could pose challenges to our operations.
- Significant portions of our revenue hinges upon a selected group of clienteles, and the potential loss of any of these key customers may substantially impact our business operations and profitability.
- There have been certain lapses and discrepancies and/or typographical errors in Statutory filings. We cannot assure you that no regulatory action will be initiated against us and that no penalties will be imposed on us on account of these lapses.
- There have been certain lapses and non-compliances under Factories Act, 1948. We cannot assure you that no regulatory action will be initiated against us and that no penalties will be imposed on us on account of these lapses.
- We may not be able to continue investing to increase existing capacities in order to meet the market requirements, capitalize on the new opportunities available or to drive future growth.
- Inadequate inventory management may pose risks to our business performance, affecting our sales, profitability, and financial health.
- Competition may result in the reduction of our market share or margins, either of which could adversely affect our business or results of operations.
- The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes

BID/ISSUE PROGRAM

ANCHOR INVESTOR BIDDING DATE⁽¹⁾: WEDNESDAY, DECEMBER 04, 2024

BID/ ISSUE OPENS ON⁽¹⁾: THURSDAY, DECEMBER 05, 2024

BID/ ISSUE CLOSES ON: MONDAY, DECEMBER 09, 2024[^]

⁽¹⁾Our Company in consultation with the BRLM may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI (ICDR) Regulations, 2018.

[^]UPI mandate end time and date shall be at 5.00 p.m. on the Bid/ Offer Closing Date.

In case of any revisions in the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/ Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and the terminals of the other members of the Syndicate and by intimation to SCSBs, the Sponsor Bank, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”, the “QIB Portion”), provided that our Company may, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount (“ASBA”) process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see “Issue Procedure” beginning on page 210 of Red Herring Prospectus.

Bidders/ Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidders/Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidders/ Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk. Bidders/ Applicants should ensure that PAN, DP ID and the Client ID are correctly filled in the Bid cum Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form should match with the PAN, DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS REGARDS ITS OBJECTS: For information on the main objects and other objects of our Company, see “History and Certain Corporate Matters” on page 145 of the Red Herring Prospectus and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, see the section “Material Contracts and Documents for Inspection” on page 274 of the Red Herring Prospectus

LIABILITY OF MEMBERS AS PER MOA: The Liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them. **AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE:** The Authorized share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crore fifty lakh shares) Equity Shares of Rs.10/- (Rupees Ten only) each. For details of the Capital Structure, see “Capital Structure” on the page 53 of the Red Herring Prospectus.

NAMES OF THE SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association of our Company: 5,000 equity shares were subscribed by Kannaki Thirupathi, 5,000 equity shares were subscribed by Chandhrasekharan Thirupathi Venkatachalam Equity Shares of Rs.10/- Each. Details of the main objects of the Company as contained in the Memorandum of Association, see “History and Corporate Structure” on page 145 of the Red Herring Prospectus. For details of the share capital and capital structure of the Company see “Capital Structure” on page 53 of the Red Herring Prospectus.

LISTING: The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the NSE EMERGE (SME Platform of NSE). Our Company has received an “in-principle” approval from the NSE for the listing of the Equity Shares pursuant to letter dated November 25, 2024. For the purpose of the Issue, the Designated Stock Exchange shall be NSE Limited (NSE). A signed copy of the Red Herring Prospectus has been delivered for registration to the ROC on November 28, 2024 and Prospectus shall be delivered for filing to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see “Material Contracts and Documents for Inspection” on page 274 of the Red Herring Prospectus.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”): Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the Red Herring Prospectus has been filed with SEBI. In terms of the SEBI Regulations, the SEBI shall not issue any observation on the Offer Document. Hence there is no such specific disclaimer clause of SEBI. However, investors may refer to the entire Disclaimer Clause of SEBI on page 221 of the Red Herring Prospectus.

DISCLAIMER CLAUSE OF NSE (THE DESIGNATED STOCK EXCHANGE): It is to be distinctly understood that the permission given by NSE EMERGE (“EMERGE Platform of NSE”) should not in any way be deemed or construed that the contents of the Offer Document or the price at which the equity shares are offered has been cleared, solicited or approved by NSE, nor does it certify the correctness, accuracy or completeness of any of the contents of the Offer Document. The investors are advised to refer to the Offer Document for the full text of the Disclaimer clause pertaining to NSE.

GENERAL RISK: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 25 of the Red Herring Prospectus.

ASBA* Simple, Safe, Smart way of Application- Make use of it!!! 		*Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below.		Mandatory in Public Issues from January 01, 2016. No cheque will be accepted	
UPI-Now available in ASBA for Retail Individual Investors (RII)** Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPI – Now available in ASBA for RIBs applying through Registered Brokers, DPs & RTAs. RIBs also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account.					
Investors have to apply through the ASBA process. ASBA has to be availed by all the investors except anchor investor. UPI may be availed by Retail Individual Investors. For details on the ASBA and the UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section “Issue Procedure” beginning on page 243 of the Red Herring Prospectus. The process is also available on the website of Association of Investment Bankers of India (“AIBI”), the Stock Exchanges and in the General Information Document.					
*ASBA forms can be downloaded from the website of NSE EMERGE (“SME Portal of NSE”)					
**List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in . Axis Bank Limited has been appointed as Sponsor Bank for the Issue, in accordance with the requirements of the SEBI circular dated November 1, 2018, as amended. For UPI related queries, investors can contact NPCI at the toll free number-18001201740 and Mail id- ipo_upi@npci.org.in . For the list of UPI Apps and Banks live on IPO, please refer to the link www.sebi.gov.in . For issue related grievance investors may contact: GYR Capital Advisors Private Limited-Mr. Mohit Baid (+91 87775 64648) (Email id: investors@gyrcapitaladvisors.com).					
BOOK RUNNING LEAD MANAGER TO THE ISSUE  CLARITY TRUST GROWTH		REGISTRAR TO THE ISSUE 		COMPANY SECRETARY AND COMPLIANCE OFFICER 	
GYR CAPITAL ADVISORS PRIVATE LIMITED 428, Gala Empire, Near JB Tower, Drive in Road, Thaltej, Ahmedabad -380 054, Gujarat, India. Telephone: +91 87775 64648 E-mail: info@gyrcapitaladvisors.com Website: www.gyrcapitaladvisors.com Investor grievance: investors@gyrcapitaladvisors.com Contact Person: Mr. Mohit Baid SEBI Registration Number: INM000012810		LINK INTIME INDIA PRIVATE LIMITED C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400083 Maharashtra, India Telephone: +91 8108114949 E-mail id: emerald ipo@linkintime.co.in Website: www.linkintime.co.in Investor Grievance e-mail id: emerald ipo@linkintime.co.in Contact Person: Shantli GopalKrishnan SEBI Registration Number: INR000004058 CIN: U67190MH1999PTC118368		Ms. Raja Devika Dhiyva, Company Secretary & Compliance Officer Emerald House, Plot No. 2, Second Street, Porur Gardens, Phase-I, Vanagaram, Tiruvallur, Poonamallee, Tamil Nadu, India, 600095 Telephone: +91 9043063194 E-mail: cossec@emeraldtyres.com Website: www.emeraldtyres.com Investors can contact the Company Secretary and Compliance Officer or the BRLM or the Registrar to the Issue in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc.	

AVAILABILITY OF RED HERRING PROSPECTUS: Investors are advised to refer to the Red Herring Prospectus and the Risk Factors contained therein before applying in the Issue. Full copy of the Red Herring Prospectus is available on the website of the SEBI at www.sebi.gov.in, website of the Company at <https://www.emeraldtyres.com>, the website of the BRLM to the Issue at: www.gyrcapitaladvisors.com, the website of NSE Emerge at <https://www.nseindia.com/companies-listing/corporate-filings-offer-documents>, respectively.

AVAILABILITY OF BID-CUM-APPLICATION FORMS: Bid-Cum-Application forms can be obtained from the Registered Office of the Company: Emerald House, Plot No. 2, Second Street, Porur Gardens, Phase-I, Vanagaram, Tiruvallur, Poonamallee, Tamil Nadu, India, 600095 ; Telephone: +91 9043063194; BRLM: GYR Capital Advisors Private Limited, Telephone: +91 87775 64648 and the Syndicate Member: GYR Capital Advisors Private Limited, Telephone: +91 87775 64648 and the Sub Syndicate Member: Eureka Stock & Share Broking Services Limited, Telephone: 033 66280000 (131) and the Registered Brokers, RTAs and CDPs participating in the Issue. Bid-cum-application Forms will also be available on the website of NSE EMERGE and the designated branches of SCSBs, the list of which is available at websites of the stock exchanges and SEBI.

ESCROW COLLECTION BANK/ REFUND BANK/ PUBLIC ISSUE ACCOUNT BANK/ SPONSOR BANK: AXIS BANK LIMITED

UPI: Retail Individual Bidders can also Bid through UPI Mechanism.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Red Herring Prospectus.

On behalf of Board of Directors
For EMERALD TYRE MANUFACTURERS LIMITED
Sd/-
Ms. Raja Devika Dhiyva
Company Secretary & Compliance Officer

Disclaimer: EMERALD TYRE MANUFACTURERS LIMITED is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the RHP with the Registrar of Companies, Tamil Nadu on November 28, 2024 and thereafter with SEBI and the Stock Exchange. Full copy of the Red Herring Prospectus is available on the website of the SEBI at www.sebi.gov.in, website of the Company at www.emeraldtyres.com, the website of the BRLM to the Issue at: www.gyrcapitaladvisors.com, the website of NSE Emerge at <https://www.nseindia.com/companies-listing/corporate-filings-offer-documents>, respectively. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please refer to the RHP including the section titled “Risk Factors” beginning on page 25 of the Red Herring Prospectus. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended or any state securities laws in the United States, and unless so registered, and may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, 1933 and in accordance with any applicable U.S. State Securities laws. The Equity Shares are being issued and sold outside the United States in “offshore transactions” in reliance on Regulation “S” under the Securities Act, 1933 and the applicable laws of each jurisdiction where such issues and sales are made. There will be no public offering in the United States.



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- Significant portions of our revenue hinges upon a selected group of clientele, and the potential loss of any of these key customers may substantially impact our business operations and profitability.
- There have been certain lapses and discrepancies and/or typographical errors in Statutory filings. We cannot assure you that no regulatory action will be initiated against us and that no penalties will be imposed on us on account of these lapses.
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- Inadequate inventory management may pose risks to our business performance, affecting our sales, profitability, and financial health.
- Competition may result in the reduction of our market share or margins, either of which could adversely affect our business or results of operations.
- The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes.

BASIS FOR ISSUE PRICE

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Issue Price are:

1. Experienced and dedicated management team
2. Manufacturing Facility to handle wide range of Off Highway Tyres
3. Wide product range and customized product offering
4. Diverse Customer Base
5. Qualitative Products

For further details, see “Our Business –Strengths” on page 110.

Quantitative Factors

The information presented in this section for the restated audited financial statements of the Company for the period ended July 31, 2024 and the information presented in this section is derived from our Restated Financial Statements. For details, see “Restated Financial Statements” on page 170. Investors should evaluate our Company and form their decisions taking into consideration its earnings, and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Offer price are as follows:

On the basis of consolidated financial statement as restated

1. Basic and diluted Earnings per Share (EPS) (Pre-Bonus)

Year ended	Basic and Diluted EPS (in ₹) #	Weight
FY 2021-22	7.58	1
FY 2022-23	13.61	2
FY 2023-24	8.64	3
Weighted Average		10.12
For Period ended as on July 31, 2024 (Not Annualised)	2.85	

2. Basic and Diluted Earnings per Share (EPS) (Post bonus)

Year ended	Basic and Diluted EPS (in ₹) #	Weight
FY 2021-22	3.79	1
FY 2022-23	6.80	2
FY 2023-24	8.64	3
Weighted Average		7.22
For Period ended as on July 31, 2024 (Not Annualised)	2.85	

Note:

- i. Basic EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year.
- ii. Diluted EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year for diluted EPS.
- iii. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year/period.
- iv. The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.
- v. The EPS has been calculated in accordance with AS 20 Earnings Per Share (EPS) issued by Institute of Chartered Accountants of India.

3. Price Earning (P/E) Ratio in relation to the Price Band of Rs. 90 to Rs. 95 per Equity Share of Face Value of Rs. 10/- each fully paid up

Particulars	(P/E) Ratio at the Floor Price*	(P/E) Ratio at the Cap Price*
P/E ratio based on Basic and Diluted EPS as at March 31, 2024	10.42	11.00

* The details shall be provided post the fixing of the price band by our Company at the stage of the Red Herring Prospectus or the filing of the price band advertisement.

4. Industry Peer Group P/E ratio

Particulars	Industry P/E
Highest	30.44
Lowest	27.72
Average	29.08

*Note: The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.

1. Net Asset Value (NAV) per Equity Share (Post Bonus)

Particulars	NAV per equity share (₹)*
As on March 31, 2022	22.08
As on March 31, 2023	28.19
As on March 31, 2024	37.25
As on July 31, 2024	40.12
Net Asset Value per Equity Share after the Issue	[•]
Issue price per equity shares	[•]
After the Completion of the Issue:	
- At Floor Price	52.89
- At Cap Price	54.17
- At Issue Price	[•]

* Note: NAV (book value per share) = Total shareholders' funds divided by number of shares outstanding as on March 31, 2024, and every year.

Comparison of accounting ratios with listed industry peers:

Name of the Company	CAGR*	Basic EPS (₹)	Diluted EPS (₹)	Face Value (₹)	P/E Ratio*	RoNW (%)	NAV Per Share	Total Income (₹ in Lakhs)
Peer Group								
Balkrishna Industries Limited	2,763.60	76.12	76.12	2	36.31	16.62%	457.99	9,81,809
TVS Srichakra Limited	3,571.25	140.98	140.98	10	25.33	9.69%	1,452.43	2,93,263
Our Company**	NA	8.64	8.64	10	[•]#	22.50%	37.25	17,197

*Source: All the financial information for listed industry peers mentioned above is sourced from the Audited financial statements of the aforesaid companies for the year ended March 31, 2024. The current market price and related figures are as on November 22, 2024.

1. P/E figures for the peers are based on closing market prices of equity shares on BSE and NSE on November 22, 2024 divided by the Diluted EPS as at March 31, 2024.
2. Basic and Diluted EPS refers to the Basic and Diluted EPS sourced from the Annual Reports for FY 23-24 of the listed peer companies.
3. Return on Net Worth (%) for listed industry peers has been computed based on the Net Profit After Tax for the year ended March 31, 2024 divided by Total Equity as on March 31, 2024.
4. NAV per share for listed peers is computed as the Total Equity as on March 31, 2024 divided by the outstanding number of equity shares as on March 31, 2024.

* The financial information for our Company is based on the Restated Consolidated Financial Information as at and for the financial year ended March 31, 2024.

KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS (“KPIs”)

Key Performance Indicator	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations	6,380.33	17,098.74	16,393.95	13,364.26
Growth in Revenue from Operations (%)	-	4.30%	22.67%	-
Total Income	6,492.75	17,196.84	16,798.10	13,469.67
EBITDA	1,040.93	2,902.89	2,389.06	1,544.39
EBITDA Margin (%)	16.03%	17.23%	14.22%	11.47%
Net Profit for the Year/Period	413.64	1,214.32	892.85	484.62
PAT Margin (%)	6.48%	7.10%	5.45%	3.63%
Return on Net Worth	7.11%	22.50%	24.14%	16.73%
Return on Capital Employed	5.90%	17.82%	16.04%	11.45%
Debt-Equity Ratio	1.51	1.62	2.29	2.59

1. Revenue from operations represents the revenue from sale of service & product & other operating revenue of our Company as recognized in the Restated financial information.
2. Total income includes revenue from operations and other income.
3. EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back interest cost, depreciation, and amortization expense.
4. EBITDA margin is calculated as EBITDA as a percentage of total income.
5. Net Profit for the year/period represents the restated profits of the Company after deducting all expenses.
6. PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.
7. Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by Net worth at the end of respective period/year. Net worth means aggregate value of the paid-up equity share capital and reserves & surplus.
8. Return on capital employed calculated as Earnings before interest and taxes divided by capital employed as at the end of respective period/year. (Capital employed calculated as the aggregate value of tangible Net worth, total debt and deferred tax liabilities)
9. Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long-term and short-term borrowings. Total equity is the sum of share capital and reserves & surplus.

Explanation for the Key Performance Indicators:

KPIs	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of our business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Income	Total Income is used by our management to obtain a comprehensive view of all income including revenue from operations and other income
EBITDA	EBITDA provides information regarding the operational efficiency of our business
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Net Profit for the Year / Period	Net Profit for the year/period provides information regarding the overall profitability of our business
Return on Net Worth (in %)	Return on Net Worth provides how efficiently our Company generates profits from shareholders' funds.
Return on Capital Employed (in %)	Return on Capital Employed provides how efficiently our Company generates earnings from the capital employed in our business.
Debt-Equity Ratio (in times)	Debt- equity ratio is a gearing ratio which compares shareholder's equity to company debt to assess our company's amount of leverage and financial stability.

Comparison of our key performance indicators with listed industry peers for the Financial Years/ periods included in the Restated Financial Information:

(Rs In Lakhs)

Key Performance Indicator	Balkrishna Industries Limited			TVS Srichakra Limited		
	FY 2023-24	FY 2022-23	FY 2021-22	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from Operations	9,36,887	9,75,953	8,29,512	2,92,600	2,98,497	2,52,820
Total Income	9,81,809	10,10,606	8,73,304	2,93,263	2,99,414	2,53,466
Net Profit for the Year / Period	1,47,149	1,05,740	1,43,538	10,776	7,782	4,332

Source: All the information for listed industry peers mentioned above is on a consolidated basis unless standalone provided available on the website of the stock exchange.

2. WEIGHTED AVERAGE COST OF ACQUISITION

A) The price per share of the Company based on the primary/ new issue of shares (equity/convertible securities)

The Company have not issued Equity Shares or convertible securities (“Security(ies)”), excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days:

B) The price per share of the Company based on secondary sale/ acquisitions of shares (equity/ convertible securities)

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities (“Security(ies)”), where the Promoter, members of the promoter group, selling shareholders, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts).

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